

# EXHIBIT 2

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CONFIDENTIAL - SIMON WILSON-TAYLOR  
UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re: :  
: Master File No.  
Global Brokerage, Inc. : 1:17-cv-00916-RA  
F/k/a FXCM, Inc. :  
Securities Litigation :  
----- :

REMOTE VIDEO DEPOSITION OF:  
SIMON WILSON-TAYLOR  
WEDNESDAY, JUNE 2, 2021

REPORTED BY:  
SILVIA P. WAGE, CCR, CRR, RPR  
JOB NO. 4577008

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2 we talking about?

3 Q. Any type.

4 A. So, in that time frame, there were  
5 certainly discussions between banks and brokers  
6 around payment for retail order flow. The extent  
7 to which they turned into actual payment for  
8 order flow arrangements, I'm kind of less clear  
9 on, you know. I was involved personally in a  
10 handful of discussions in that space and not many  
11 of them ended up with a commercial arrangement  
12 from a bank liquidity provider to one of these  
13 firms.

14 I'm, obviously, not privy to the  
15 relationships between nonbank liquidity providers  
16 and their customers and whether or not that took  
17 place. So I can only rely on my experience as a  
18 bank liquidity provider in that time period.

19 Q. In your experience, were you aware of  
20 any liquidity providers, bank or nonbank, who did  
21 pay for order flow for retail flow in the 2010 to  
22 2014 time period?

23 A. Again, it would be speculation on my  
24 part. You know, the relationships between those  
25 firms were confidential. So it may have

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2       happened. It may not have happened. I can't be  
3       certain.

4           Q. So you're not, specifically, aware of  
5       any instances in your own personal experience?

6           A. I'm not specifically aware of it, no.  
7       Would I have expected it to occur, yes.

8           Q. Still in Paragraph 59, you talk about  
9       payments being individually negotiated with each  
10      liquidity provider.

11                  Did you negotiate with liquidity  
12      providers over payments for order flow?

13           A. I did.

14           Q. And was it your personal experience  
15      that liquidity providers in these discussions  
16      asked for price reductions at that time?

17           A. Very much so, yes. You know, if I go  
18      over the chronology, we started in -- I mean,  
19      I've been negotiating agreements with banks from,  
20      you know, 1999 up until last year when I left the  
21      CME. And so, when we started in 1999, we were  
22      charging banks -- well, I probably shouldn't be  
23      entirely specific on a number, but a significant  
24      number somewhere north of \$20 in million.

25                  And by the time we got to last year,

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2 Q. Anything other than these  
3 "operational risks"?

4 A. I don't think I can -- I don't think  
5 I can speak to that, you know.

6 Do you want to hire me as a  
7 consultant to do a professional risk analysis?  
8 I'm sure I can do that. But there are other  
9 risks, but I just can't name them.

10 Q. I'll leave that to Israel and --

11 A. Right.

12 Q. Okay. In Paragraph 92, you mention  
13 that Effex paid \$21 per million on profits as  
14 high as \$35 per million, which I'll represent to  
15 you is 60 percent.

16 Are you aware of any other liquidity  
17 providers that paid 60 percent more of their  
18 trading profits to a broker in order flow  
19 payments?

20 A. I'm aware of people paying  
21 substantial payment for order flow. I don't have  
22 the luxury of knowing what the profitability of  
23 that flow was to those firms. So it's difficult  
24 for me to answer.

25 Q. So there's no specific examples that

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2 you know of that occur?

3 A. No. But, as I referred to earlier,  
4 you know, I've been part of negotiations with  
5 liquidity providers where they've shown me their  
6 profitability and used it to squeeze me on -- and  
7 asked me to reduce my fees. And, you know, for a  
8 period of time, it would have been a substantial  
9 number. And in some cases, my fee exceeded what  
10 they earned, more than a hundred percent.

11 So, yes, the simple answer to your  
12 question is, yes, I'm aware it was not  
13 sustainable.

14 Q. Okay. If we jump down to Page 36 and  
15 Paragraph 96. Let me know when you're there.

16 A. Yes, I'm there.

17 Q. And in Paragraph 96 you opine that  
18 FXCM's business relationship with Effex, as you  
19 defined it earlier in your report, did not create  
20 a conflict of interest between FXCM and its no  
21 dealing desk customers.

22 Do you see that?

23 A. It did not create a conflict of  
24 interest. Yes, I see that.

25 Q. And you had some examples in the